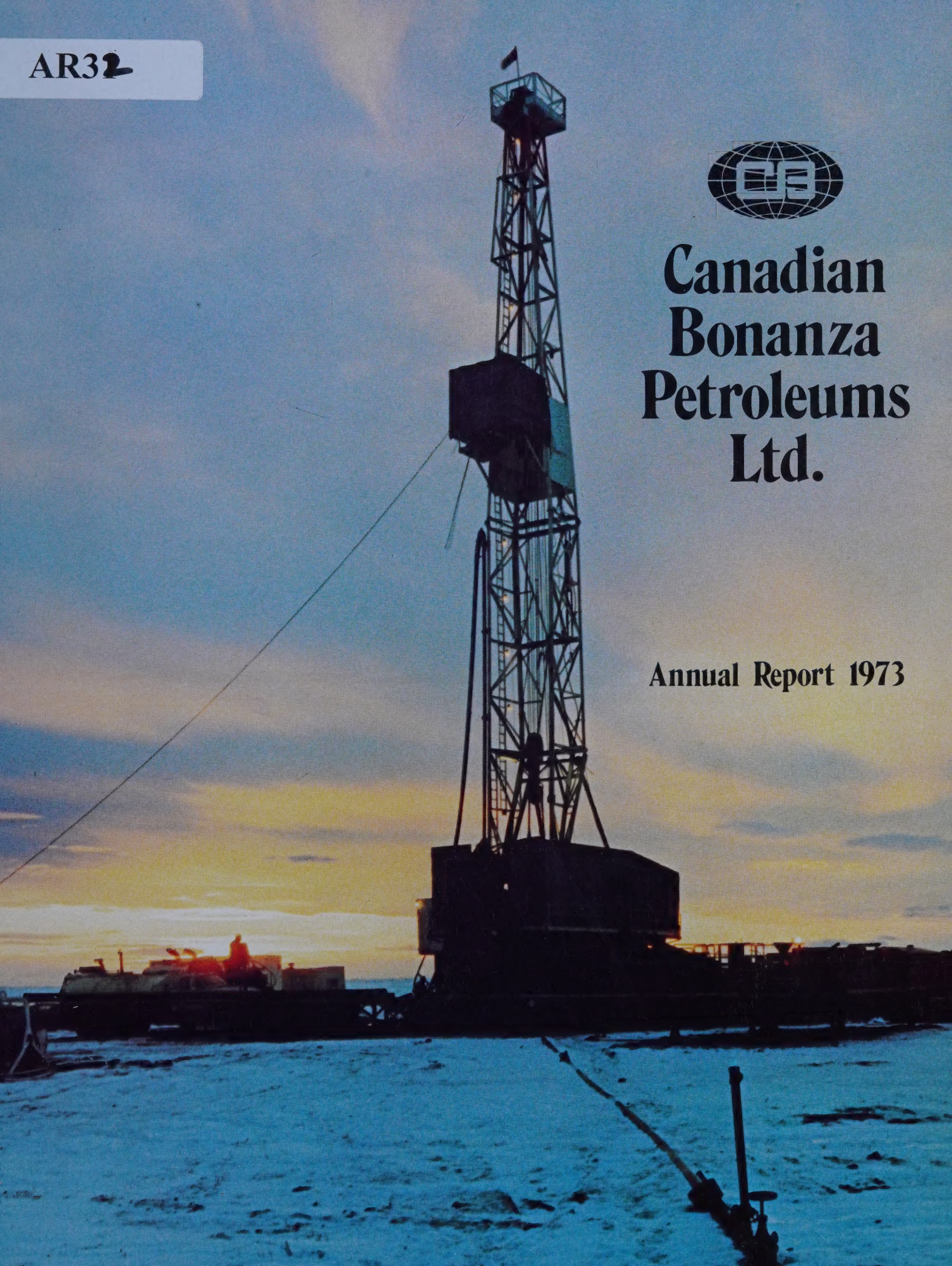


AR32



# Canadian Bonanza Petroleum Ltd.

Annual Report 1973





## 1973 HIGHLIGHTS

- Consolidated cash flow from operations for 1973 was \$174,961
- Consolidated net cash flow for 1974 estimated at \$900,000
- Working capital as at September 30, 1973, was \$2,646,676
- International exploration program commenced with a successful public offering

The annual meeting of the shareholders will be held on Saturday March 30, 1974, at the International Hotel in Calgary, Alberta.

## Directors and Officers

### David G. Ferguson

Chairman of the Board and Director  
Calgary, Alberta

### John J. Fleming

President and Director  
Calgary, Alberta

### William A. Bell

Vice President and Director  
Calgary, Alberta

### Seymour Schulich

Director  
Montreal, Quebec

## HEAD OFFICE

1800, 444 - 5th Ave. S.W.  
Calgary, Alberta

## EXPLORATION OFFICE

10555 Katy Freeway  
Houston, Texas 77024

## SUBSIDIARY COMPANIES

Bonanza International Petroleums Ltd.  
Bonanza Petroleums (Espana) Ltd.  
Lind Ranches Limited  
Bishop Minerals Ltd.

## TRANSFER AGENT

Montreal Trust Company

## BANKER

Canadian Imperial Bank of Commerce  
First City National Bank of Houston

## AUDITORS

Riddell, Stead & Co.

## SOLICITORS

Macleod Dixon

## STOCK EXCHANGE LISTING

Toronto Stock Exchange  
(Trading Symbol CZP)

## REPORT TO THE SHAREHOLDERS



### TO THE SHAREHOLDERS:

It is a pleasure to present the Interim Report of the company for the six months ended March 31, 1973. The consolidated working capital of the company of \$4,078,244 places the company in a very strong position to conduct its exploration and development activities particularly in periods of tight money such as we are presently experiencing. The company has the resources necessary to conduct its exploration activities and to develop its existing properties.

The consolidated cash flow from operations increased to \$43,056 compared to a deficit of \$57,306 for the comparable period in 1972. Net earnings for the period ended March 31, 1973, were \$21,115 compared to a loss in the comparable period in the prior year of \$57,306 (before extra-ordinary non-recurring items).

It is expected that production will commence during the next two months from the Provost and Bellshill Lake areas in Alberta and the Plato area in Saskatchewan which production will add substantially to the company's cash flow for 1973.

### Western Canada Exploration

During the next three months the company will participate in a seven well drilling program on a farmout from Hudson's Bay Oil and Gas Company Limited in the Hatton area of Saskatchewan and will participate with PanCanadian Petroleum Limited in a minimum of three wells in the Lake Newell area of southeast Alberta. PanCanadian Petroleum Limited and its partners have recently made a significant oil discovery one-half mile north of the company's Lake Newell acreage. It is anticipated that further drilling to develop that discovery will prove a substantial part of the reservoir to be under the company's acreage.

The company also has a 40% working interest in a well currently being drilled in the Hutton area of southeast Alberta and a 5% working interest in a

well being drilled by B.P., Mobil, Canada Cities Service Ltd. and partners in the Ricinus area of the Alberta foothills.

### International Exploration

The Company was successful during the spring of 1973 in raising \$1,242,000 by way of a public offering of 25% of the shares of its previously wholly-owned subsidiary, Bonanza International Petroleum Ltd. These funds will be used during the next two years primarily to conduct a drilling and exploration program in South Louisiana and to a lesser degree, to conduct exploration activities in other areas of the world including Haiti and Gabon, West Africa where the company presently holds varying interests.

Bonanza International is currently drilling a well approximately 6 miles from the city of Lafayette in St. Martin Parish, South Louisiana. This 9,700' test is expected to reach total depth during the first week in June. Preliminary information indicates a potential hydrocarbon bearing zone at approximately 6,300'. Further testing is being conducted to determine the potential of this zone. A number of other drilling prospects in South Louisiana will be announced during the next three months.

The company is also currently having discussions pertaining to participation agreements covering foreign exploration in Peru, offshore Spain, offshore India and offshore Norway in the North Sea.

Submitted on Behalf of the Board

John J. Fleming  
President

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**1973 HIGHLIGHTS****Directors and Officers****HEAD OFFICE**

1800, 444 - 5th Ave. S.W.  
Calgary, Alberta

— Consolidated cash flow from operations for 1973 was \$174,961

**David G. Ferguson**

Chairman of the Board and Director

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**CONSOLIDATED STATEMENT OF EARNINGS AND  
RETAINED EARNINGS**

FOR THE SIX MONTHS ENDED MARCH 31, 1973

	<u>1973</u>	<u>1972</u>
<b>Revenue</b>		
Oil and gas operations . . . . .	\$ 79,216	\$ —
Interest and other income . . . . .	85,170	16,977
	<u>164,386</u>	<u>16,977</u>
<b>Expenses</b>		
General and administrative . . . . .	90,488	74,283
Interest . . . . .	30,842	—
	<u>121,330</u>	<u>74,283</u>
<b>Cash flow (deficit) from operations</b> . . . . .	43,056	(57,306)
Non Cash Credits (Charges)		
Earnings of unconsolidated subsidiary company . . . . .	32,059	—
Earnings of subsidiary company sold . . . . .	—	51,618
Depletion and depreciation . . . . .	(54,000)	—
<b>Net earnings (loss) for the period</b> . . . . .	21,115	(5,688)
Retained earnings at beginning of period . . . . .	1,291,320	(212,469)
Gain on sale of subsidiary company . . . . .	—	5,336,343
Dividends paid . . . . .	—	(3,795,063)
<b>Retained earnings at end of period</b> . . . . .	<u>\$1,312,435</u>	<u>\$1,323,123</u>

# REPORT TO THE SHAREHOLDERS

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 1973

### ASSETS

#### Current Assets

Cash	\$3,980,695
Accounts receivable	97,549
	<u>4,078,244</u>

#### Investment in and Advances to Wholly-Owned

Subsidiary Company — Lind Ranches Limited	378,099
Petroleum, Natural Gas and Mineral Leases and Rights together with Exploration and Development thereon	1,352,872
	<u>\$5,809,215</u>

### LIABILITIES

Long Term Bank Loans	\$ 892,284
Minority Interest — Bonanza International Petroleums Ltd.	310,500

### SHAREHOLDERS' EQUITY

#### Capital Stock

##### Authorized

30,000,000 common shares of no par value  
10,000,000 8% non-cumulative, redeemable  
convertible voting preferred  
shares of \$1 each par value

##### Issued

5,778,465 common shares \$3,293,996

Retained Earnings	1,312,435	<u>4,606,431</u>
		<u>\$5,809,215</u>

## CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

FOR THE SIX MONTHS ENDED MARCH 31, 1973

	1973	1972
<b>Source of Funds</b>		
Operations	\$ 43,056	\$ (57,306)
Proceeds on sale of capital stock	1,242,000	66,880
Long term debt	474,431	(190,199)
Proceeds on sale of subsidiary company	—	7,543,600
	<u>1,759,487</u>	<u>7,362,975</u>
<b>Use of Funds</b>		
Petroleum, natural gas and mineral leases and rights together with exploration and development thereon	774,496	256,081
Acquisition of Bishop Minerals Ltd. (Less working capital of Bishop on date of acquisition of \$383,566)	141,634	—
Dividends paid	—	3,795,063
	<u>916,130</u>	<u>4,051,144</u>
<b>Increase in working capital</b>	843,357	3,311,831
Working capital at beginning of period	3,234,887	355,127
<b>Working capital at end of period</b>	<u>\$4,078,244</u>	<u>\$3,666,958</u>

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## 1973 HIGHLIGHTS

## Directors and Officers

## HEAD OFFICE

1800, 444 - 5th Ave. S.W.

— Consolidated financial statements for 1973

— Consolidated financial statements for 1974

— Working capital for 1973, 1974

— International communication public

The annual shareholder day March 31, 1973

AR31

## CANADIAN BONANZA PETROLEUMS LTD.

### INTERIM REPORT

FOR THE  
SIX MONTHS ENDED  
MARCH 31, 1973



702 BRITANNIA BUILDING  
CALGARY, ALBERTA

## REPORT TO THE SHAREHOLDERS



The year ended September 30, 1973 was a successful one for your company in terms of finding reserves of oil and gas. It was, however, a year of frustration and uncertainty for independent exploration companies operating in Canada. The unprecedented intervention of both provincial and federal governments in the oil industry including arbitrary new royalties, price controls and nationalization of certain oil and gas rights have all created an environment in Canada that is less attractive to the high risk capital required to explore for oil and gas than is the case in other areas of the world particularly the United States.

During the spring of 1973 the company completed a public financing in its previously wholly-owned subsidiary, Bonanza International Petroleum Ltd., for the express purpose of exploring for oil and gas in the much more attractive political climate of the United States. An exploration office was opened in Houston and the company's exploration efforts during the last half of 1973 have yielded significant reserves and cash flows with which it can continue and expand its exploration activities.

We are of the view that substantial reserves of oil and gas are yet to be found in Canada and more specifically in Alberta. We are also confident that your company has the technical expertise and the financial resources to successfully participate in the finding of such reserves. Hopefully, Canadian federal and provincial governments will soon agree on well defined long term energy policies that will once again make it attractive for companies such as yours to more actively explore for oil and gas in Canada.

Respectfully submitted on behalf of  
the Board of Directors

A handwritten signature in dark ink, appearing to read "J. Fleming".

John. J. Fleming  
President

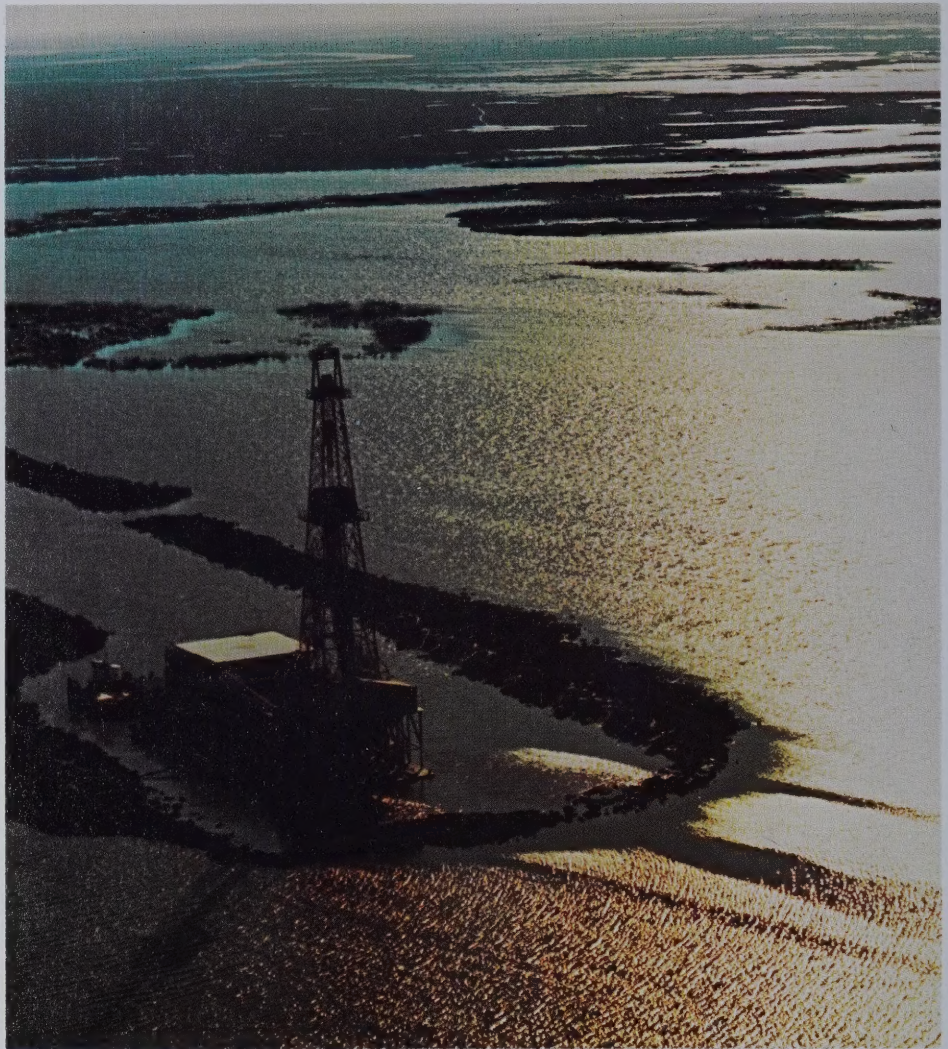


## INTERNATIONAL EXPLORATION

All oil and gas exploration activities outside of Canada are carried out through the company's 71% owned subsidiary, Bonanza International Petroleum Ltd. The annual report of Bonanza International is enclosed for your information. The foreign exploration activities in Gabon, Haiti, onshore England, and more extensively in Louisiana U.S.A., are discussed in detail in that report.

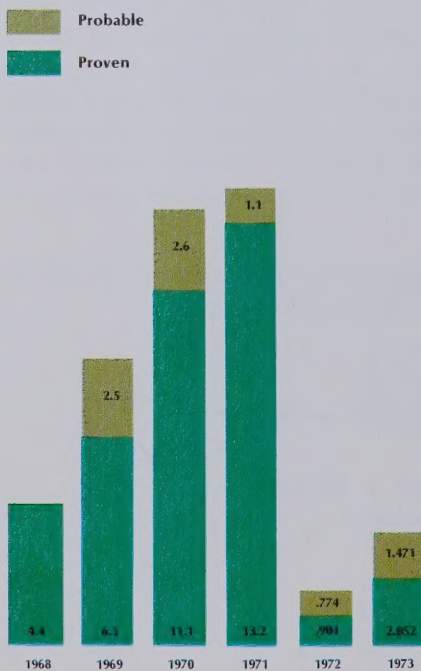
## RESERVES

The proven and probable oil and gas reserves owned by the company and its subsidiaries are 3,523,800 barrels of oil and 39 billion cubic feet of gas. The companies' reserves are located in Alberta, Saskatchewan and South Louisiana. All such reserves have been established since 1972 following the sale of all of the companies' then existing oil reserves to Canadian Industrial Gas & Oil Ltd.



*Louisiana Gulf Coast Drilling Activity.*

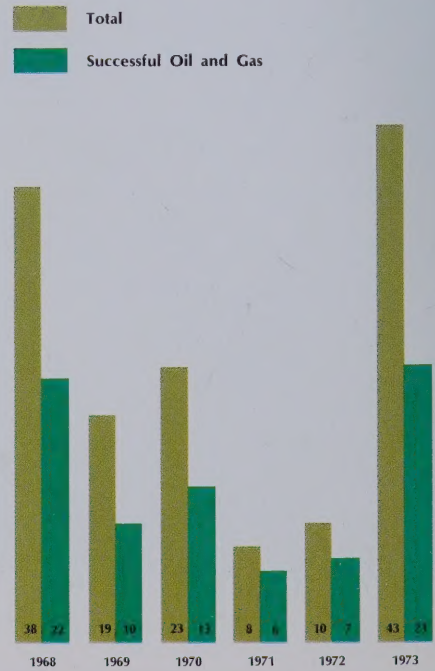
OIL RESERVES Millions of Barrels



GAS RESERVES Billions of Cubic Feet



WELLS DRILLED





## CANADIAN EXPLORATION

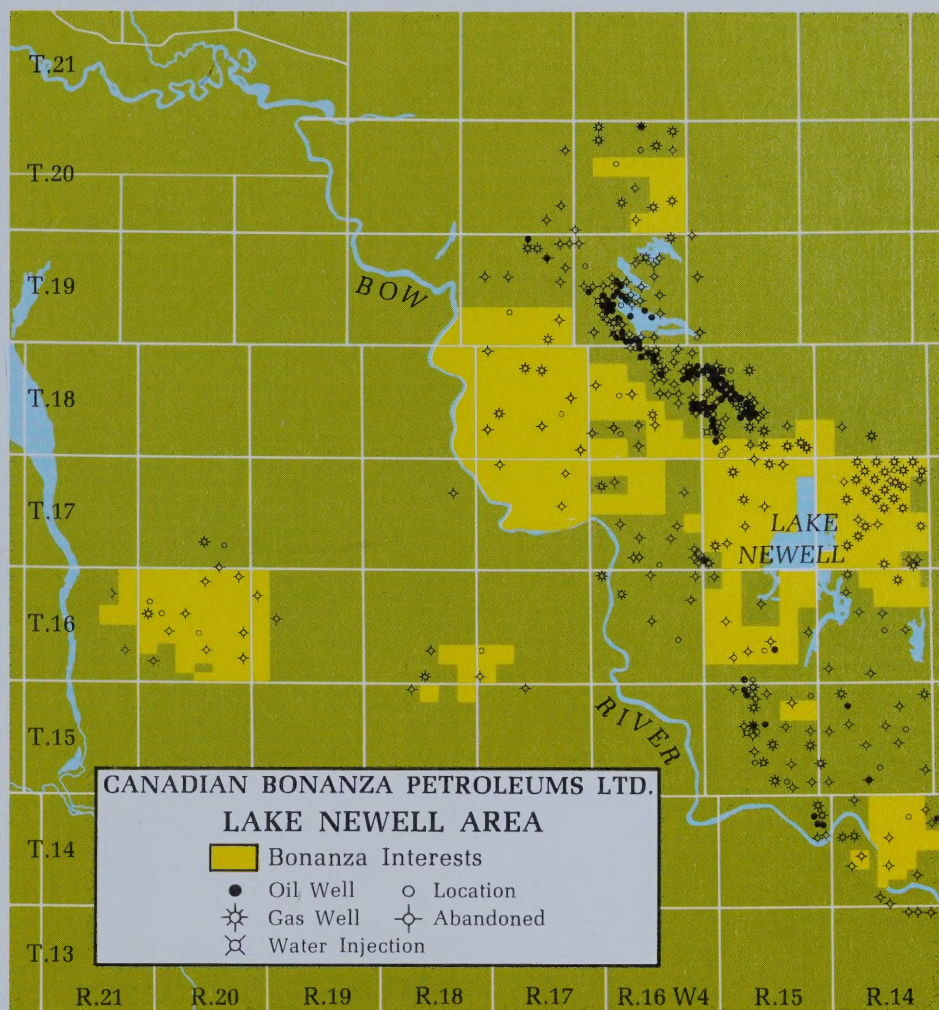
The companies participated in the drilling of 43 wells during the year ended September 30, 1973, resulting in 11 oil wells, 12 gas wells and 20 dry holes. Successful oil wells were completed in Pembina, Countess and Bellshill Lake and successful gas wells in the Hutton, Lake Newell and Hatton areas. Included in the above are five wells in South Louisiana resulting in two oil wells and three dry holes drilled by the company's substantially owned subsidiary, Bonanza International. The dry holes were drilled by others at no drilling cost to Bonanza International. Subsequent to September 30, 1973 the company's subsidiary drilled two successful development oil wells in South Louisiana.

In addition to an active wildcat and development drilling program in South Louisiana outlined in the annual report of Bonanza International, the company intends to participate in the drilling of a minimum of 20 wildcat and development wells in Alberta during 1974.

### Lake Newell

The company continued to add to its land position in this area of south Alberta and now holds interests varying from 8% - 44.25% in 129,000 acres. Substantial shallow gas reserves have been proven under these lands and further data has been obtained by the drilling of 7 successful shallow gas wells during the past year. If gas contracts can be negotiated in this area, a significant gas development program could commence during the latter part of 1974.

One successful oil well and one successful dual zone viking-basal quartz gas well were also drilled on these lands during the past year. The company continues to be optimistic that the prolific Countess Glauconitic oil field will extend onto the company's lands. Additional drilling in this area is planned for 1974 in an attempt to locate this possible extension.





## Bellshill Lake

The company, with the drilling of 2 successful oil wells during the past year now have 4 producing wells in this area. It appears that the wells the company now have on stream are an extension of the nearby Bellshill Lake field. All pipeline and battery facilities have now been constructed pertaining to this property which is owned to the extent of 58% by the company. The company plans to participate in a minimum of four additional wells in this area during 1974 to further develop this property.

## Pembina

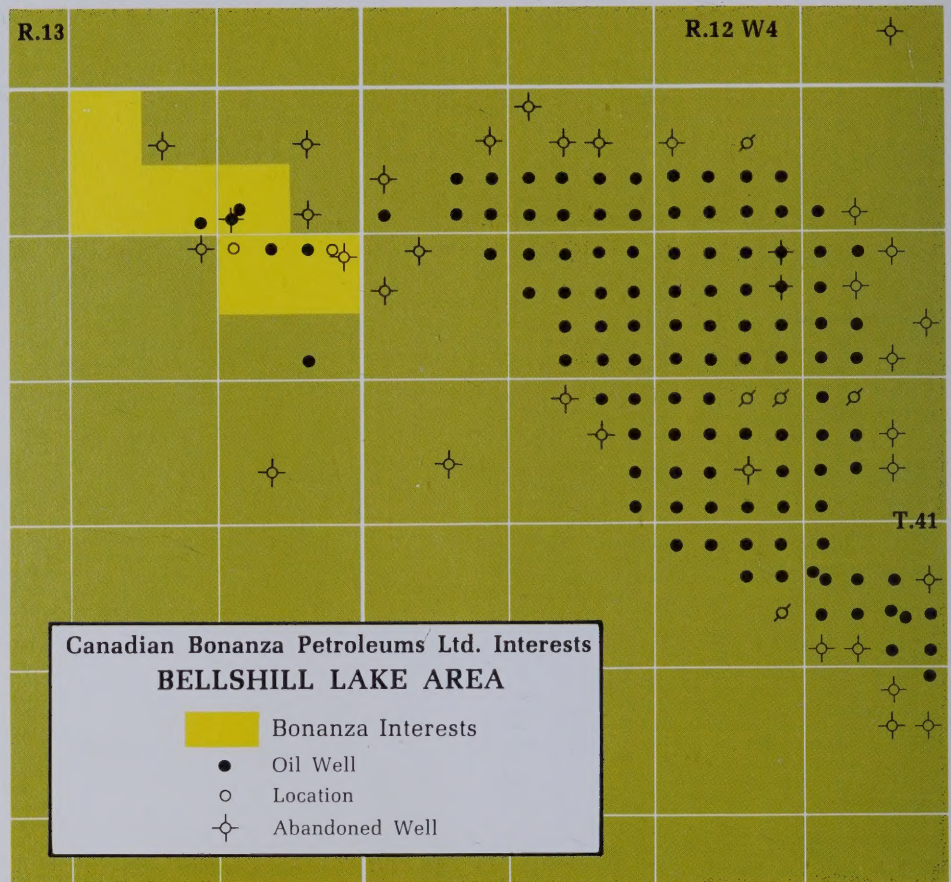
During the year the company participated in the drilling of four successful oil wells to complete the development of the Pembina Belly River "B" East Unit in which the company has an 8.44% working interest. All waterflood and casinghead gas recovery facilities have now been completed and no further significant capital expenditures are contemplated.

## Hatton

One additional successful shallow gas well was drilled on this land in Saskatchewan that is 20% owned by the company. Substantial gas reserves have now been proven and the company and its partners are presently negotiating gas contracts with potential purchasers. If satisfactory gas sales arrangements can be made, a substantial development program could commence during the latter part of 1974.

## Other Areas

The company has earned varying interests in the Lindale, Ricinus, Provost and Hutton areas of Alberta by the drilling of wells during the past year. Gas reserves in the Provost and Hutton areas will be further developed when satisfactory gas sales contracts are negotiated.



*Drilling in the Bellshill Lake area.*





## **GROSS OVERRIDING ROYALTIES**

The company continues to hold gross overriding royalties varying from .5%-3% on 199,824 acres east of Sable Island offshore Canada's east coast; 124,164 acres in the Pointed Mountain area of the Northwest Territories; 545,000 acres off the coast of Prince Patrick Island in the Canadian Arctic; and 90,000 acres in the Northwest Territories and the southeastern part of Alberta.

### **Lind Ranches Limited**

The company's wholly-owned subsidiary, Lind Ranches Limited, owns approximately 8,000 acres of ranch land in the Brooks area of southern Alberta. Approximately 1/2 of this land borders the north end of Lake Newell, and there are approximately seven miles of the main irrigation canal bordering the company's land.

At the present time the majority of the revenue of Lind Ranches Ltd. is derived from the sale of beef cattle. Significant revenues are also being received from the annual rental of oil well sites and pipeline rights of way relating to the development of the Countess oil field.

It is expected that during the next few years the company will be in a position to take advantage of the high demand for agricultural food products and to realize substantial revenues from the sale of grain and beef cattle.





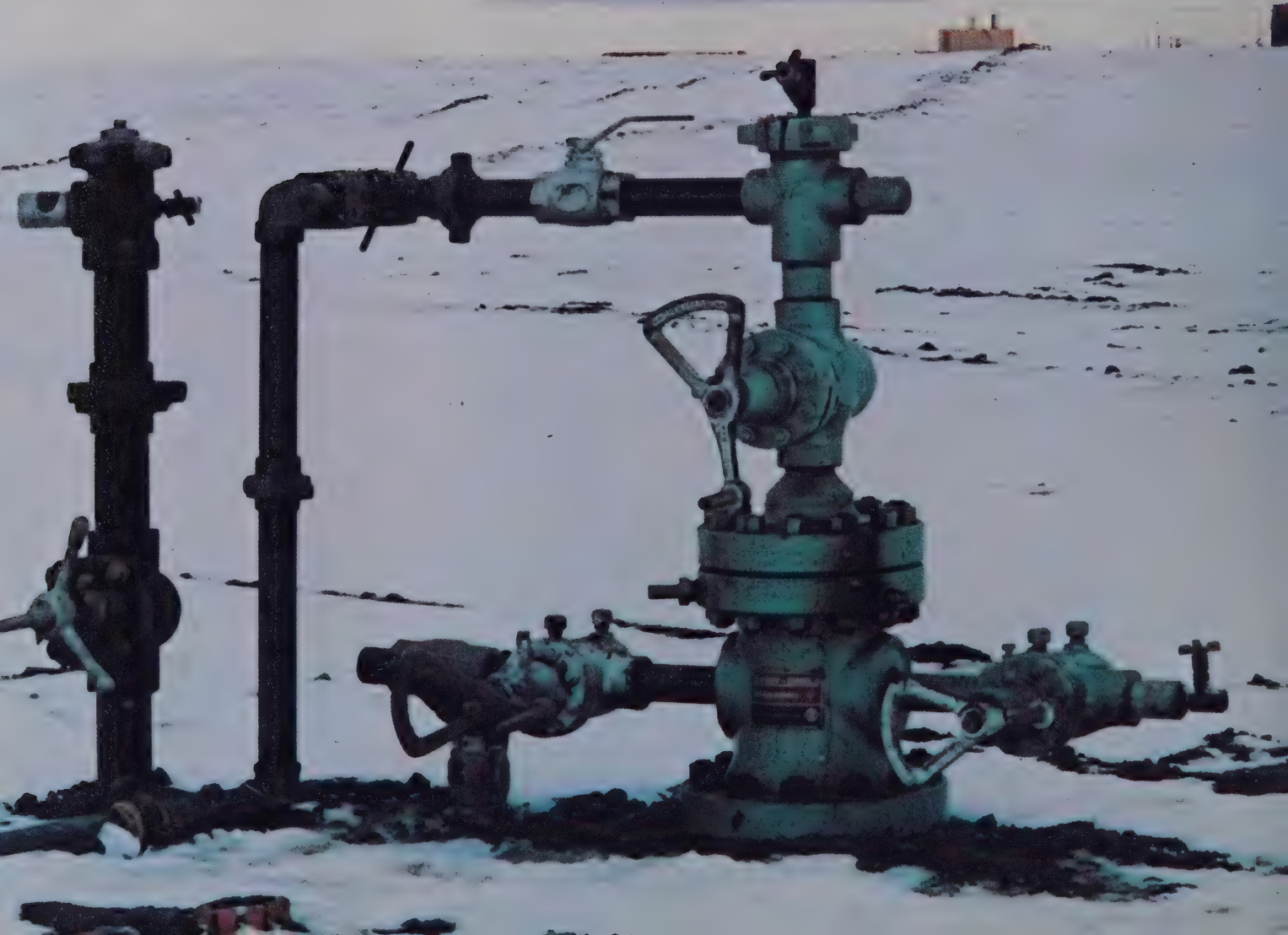
## FINANCIAL

During the year ended September 30, 1973, certain shares of Bonanza International Petroleum Ltd., previously a wholly-owned subsidiary were sold in a public offering thereby reducing the Canadian Bonanza ownership in Bonanza International Petroleum Ltd. to approximately 71%. The gain of \$1,012,900 resulting from the sale of such shares has been reflected in the Statement of Earnings as a non-recurring extraordinary item.

Consolidated net earnings from recurring operations increased to \$124,290 as compared to \$4,979 in the

prior year. Cash flow from operations increased to \$174,961 from \$27,832 in the prior year. Consolidated net earnings and cash flow are expected to increase substantially in 1974 reflecting in particular the production from the four oil wells in Louisiana that have just recently been placed on stream.

The financial statements include the accounts of Bishop Minerals Ltd., a private oil and gas exploration company that was acquired during the year. The assets of Bishop Minerals Ltd. included \$400,000 cash, oil production in the Pembina area of Alberta and a number of gross overriding royalties in Canada.





## CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1973

	<u>1973</u>	<u>1972</u> (Note 1)
<b>SOURCE OF FUNDS</b>		
From operations		
Net earnings before extraordinary items . . . . .	\$ 124,290	\$ 4,979
Non-cash charges . . . . .	50,671	22,853
	<hr/> 174,961	<hr/> 27,832
Sale of fixed assets . . . . .	47,700	—
Proceeds on sale of shares in subsidiary companies (Note 3) . . . . .	1,367,197	7,426,668
Long-term debt . . . . .	264,662	(1,869)
Issue of common shares . . . . .	—	574,880
	<hr/> 1,854,520	<hr/> 8,027,511
 <b>USE OF FUNDS</b>		
Fixed assets . . . . .	2,481,993	1,344,249
Dividend . . . . .	—	3,797,514
	<hr/> 2,481,993	<hr/> 5,141,763
 <b>INCREASE (DECREASE) IN WORKING CAPITAL . . . . .</b>	 (627,473)	 2,885,748
Working capital at beginning of year . . . . .	3,274,149	388,401
 <b>WORKING CAPITAL AT END OF YEAR . . . . .</b>	 <u><u>\$2,646,676</u></u>	 <u><u>\$3,274,149</u></u>

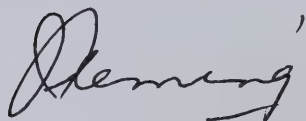


## CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 1973

### ASSETS

	<u>1973</u>	<u>1972</u> (Note 1)
<b>CURRENT ASSETS</b>		
Cash . . . . .	\$ 53,263	\$ 133,358
Short-term investments, at cost which approximates market . . . . .	3,018,977	3,018,113
Accounts receivable . . . . .	150,545	107,908
Cattle inventory at estimated market value . . . . .	334,414	172,860
	<u>3,557,199</u>	<u>3,432,239</u>
<b>FIXED ASSETS</b>		
Petroleum, natural gas and mineral leases and rights together with exploration, development and equipment thereon, at cost (Note 1) . . . . .	\$3,509,288	
Accumulated depletion and depreciation . . . . .	<u>59,143</u>	1,073,020
Land, at cost . . . . .	342,519	342,519
	<u>3,792,664</u>	<u>1,415,539</u>
	<u>\$7,349,863</u>	<u>\$4,847,778</u>

Signed on behalf of the Board:



Director



Director



## LIABILITIES

	<u>1973</u>	<u>1972</u> (Note 1)
CURRENT LIABILITIES		
Bank indebtedness, partially secured . . . . .	\$ 525,000	\$ 117,000
Accounts payable and accrued charges . . . . .	367,523	25,090
Current maturities on long-term debt . . . . .	18,000	16,000
	<u>910,523</u>	<u>158,090</u>
LONG-TERM DEBT (Note 2) . . . . .	<u>364,034</u>	<u>99,372</u>
MINORITY INTEREST . . . . .	<u>347,800</u>	<u>—</u>

## SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Authorized		
30,000,000 common shares of no par value		
10,000,000 8% non-cumulative, redeemable convertible, voting preferred shares of the par value of \$1 each		
Issued		
5,778,465 common shares . . . . .	3,293,996	3,293,996
RETAINED EARNINGS . . . . .	2,433,510	1,296,320
	<u>5,727,506</u>	<u>4,590,316</u>
	<u>\$7,349,863</u>	<u>\$4,847,778</u>



## CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS

FOR THE YEAR ENDED SEPTEMBER 30, 1973

	<u>1973</u>	<u>1972</u> (Note 1)
REVENUE		
Oil and gas operations . . . . .	\$ 70,684	\$ —
Ranch operations, net . . . . .	156,868	12,280
Interest and other income . . . . .	221,019	120,093
	<u>448,571</u>	<u>132,373</u>
EXPENSES		
Oil and gas operations . . . . .	17,856	—
General and administrative . . . . .	171,943	146,716
Interest on long-term debt . . . . .	34,212	17,033
Other interest . . . . .	49,599	5,760
Depletion and depreciation . . . . .	57,168	9,503
	<u>330,778</u>	<u>179,012</u>
EARNINGS (LOSS) BEFORE UNDER-NOTED ITEMS . . . . .	117,793	(46,639)
Minority interest . . . . .	6,497	—
Earnings of subsidiary company sold . . . . .	—	51,618
	<u>6,497</u>	<u>51,618</u>
NET EARNINGS BEFORE EXTRAORDINARY ITEM . . . . .	124,290	4,979
Gain on sale of shares in subsidiary companies (Note 3)	1,012,900	5,301,324
NET EARNINGS (Note 4) . . . . .	1,137,190	5,306,303
Retained earnings (deficit) at beginning of year . . . . .	1,296,320	(212,469)
	2,433,510	5,093,834
Dividend . . . . .	—	3,797,514
RETAINED EARNINGS AT END OF YEAR . . . . .	<u>\$2,433,510</u>	<u>\$1,296,320</u>
EARNINGS PER SHARE		
Net earnings before extraordinary item . . . . .	\$ .02	\$ —
Net earnings . . . . .	\$ .20	\$ .97



## NOTES TO 1973 CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 ACCOUNTING POLICIES

#### a) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries Bonanza International Petroleum Ltd., Bishop Minerals Ltd. and Lind Ranches Limited. As at September 30, 1973 all subsidiaries were wholly-owned with the exception of Bonanza International Petroleum Ltd., a 71%-owned company (see Note 3).

The 1972 financial statements have been restated from those previously reported to reflect the full consolidation of Lind Ranches Limited.

#### b) Business Combination

During the year Canadian Bonanza Petroleum Ltd. (the Company) acquired all of the outstanding shares of Bishop Minerals Ltd., an oil and gas exploration and production company, for \$525,200 cash. This business combination was accounted for as a purchase and, accordingly, the results of the operations of Bishop have been included in the Company's consolidated financial statements from the effective date of acquisition, October 1, 1973.

The excess (\$62,015) of the cost of Bishop over the underlying book value of its net assets at the date of acquisition has been included in petroleum and natural gas rights on the Company's consolidated balance sheet and is being accounted for as outlined in (c) below.

#### c) Oil and Gas Properties

The companies follow the full cost method of accounting for costs related to the exploration and development of petroleum and natural gas properties. Such costs are accumulated on an area of interest basis and are amortized on the unit of production method based on estimated recoverable quantities of oil and gas in each area of interest or are written off to income if exploration activities in the area prove unsuccessful.

### NOTE 2 LONG-TERM DEBT

	<u>1973</u>	<u>1972</u>
Production bank loan . . . . .	\$283,486	\$ —
7% mortgage, due in 1977, secured by land and repayable in annual instalments of \$24,900, including interest . . . . .	98,548	115,372
	<u>382,034</u>	<u>115,372</u>
Current maturities . . . . .	18,000	16,000
	<u>\$364,034</u>	<u>\$ 99,372</u>

The production bank loan is evidenced by a demand promissory note and is secured by petroleum and natural gas properties. The loan is repayable out of future production proceeds and, accordingly, is not expected to require the use of existing resources; therefore, no portion of the loan has been reclassified to current liabilities.

Payments required to meet the next year's instalments on the above debt are estimated at \$116,400.



### NOTE 3 SALE OF SHARES IN SUBSIDIARY COMPANY

During the current year, shares of Bonanza International Petroleum Ltd., then a wholly-owned subsidiary, were sold to the public thereby reducing the Company's interest in that subsidiary to approximately 71%. The gain on sale of these shares has been credited to income as an extraordinary item.

### NOTE 4 INCOME TAXES

The companies claim capital cost allowances, drilling, exploration and lease acquisition costs for income tax purposes in excess of the related amounts reflected in their accounts and provide in their accounts only for the taxes payable on their taxable income for the year. As at September 30, 1973, expenditures of approximately \$2.8 million (subject to final determination by taxation authorities) remain to be carried forward and applied against future taxable income.

If the deferred tax basis had been followed, income taxes of \$95,000 (\$.02 per share) would have been provided for the year ended September 30, 1973 and the earnings for the year would have been reduced accordingly.

While the companies' tax accounting method is consistent with the prevailing practice in the oil and gas industry, the Securities Commissions in Canada have questioned the appropriateness of the flow-through method and studies are currently underway in this regard. In the event that these studies do not, in the opinion of the Securities Commissions, establish a sound theoretical basis to justify the flow-through method, the Commissions have stated that companies in the oil and gas industry should be prepared to adopt the deferred tax basis of accounting commencing in 1974.

### NOTE 5 DIRECTORS' AND SENIOR OFFICERS' REMUNERATION

Remuneration to directors and senior officers of the Company for the year ended September 30, 1973 amounted to \$98,400.

## AUDITORS' REPORT

To the Shareholders  
Canadian Bonanza Petroleum Ltd.

We have examined the consolidated balance sheet of Canadian Bonanza Petroleum Ltd. and its subsidiaries as at September 30, 1973 and the consolidated statements of earnings and retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at September 30, 1973 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the change in method of consolidation as explained in Note 1 to the consolidated financial statements.

Calgary, Alberta  
November 7, 1973

RIDDELL, STEAD & CO.  
Chartered Accountants





# **Canadian Bonanza Petroleum Ltd.**

**Annual Report 1973**